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DR. K. B. MENON :—" Sir, in this connexion, may I remind the Hon. the Speaker that a Committee was appointed for revising the Assembly Rules and nothing has been done so far."

MR. SPEAKER :—" It will come up before the House in due course. I will now put the motion regarding the Public Accounts Committee to the vote of the House. The question is—

'That, with reference to rule 138 of the Madras Legislative Assembly Rules, this Assembly do proceed on a date to be fixed by the Hon. the Speaker, to elect fourteen Members to be Members of the Committee on Public Accounts for the financial year 1953–54.' "

The motion was carried.

MR. SPEAKER :—" In accordance with the regulations framed by me for the holding of elections according to the principle of proportional representation by means of the single transferable vote, I fix 3 p.m. on Friday, the 18th December 1953, as the time within which the nomination papers of candidates for election to the Committee on Public Accounts should reach the Secretary. Nomination forms can be had on application to the Secretary.

" If the number of candidates nominated exceeds the number of seats to be filled, namely, fourteen, a poll will be taken on a date to be announced by me in due course."

V.—PRESENTATION OF THE BUDGET FOR THE SECOND HALF OF THE YEAR 1953-54.

* THE HON. SRI C. SUBRAMANIAM :—" Sir, Honourable Members are well aware of the circumstances under which we have assembled to consider the Budget for the second half of the current financial year 1953–54. The budget proposals which we discussed last March did cover the financial transactions for the whole year, but we then took only a ' vote on account ' to meet the anticipated expenditure for the first six months. The Andhra State Act has since regularized the expenditure of the composite State for these six months and has also provided for the authorization of the expenditure by the Governor for the first four months of the second half-year. That Act, however, stipulates that the expenditure for the second half-year should be voted by the Legislatures of the respective States even though a good portion of it had already been incurred before the Legislatures could meet. The present budget cannot, therefore, contain surprises. The proposals are

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substantially the same, as were placed before the House last March, with modifications, only to the extent rendered unavoidable under altered conditions.

Partition of the State.

2. The partition has affected our fortunes in many ways. As we look round the House, we miss many familiar faces and voices, which used greatly to enliven our discussions. Our regret is softened in the thought that we did our very best to make the transition smooth for them and in the hope that they will soon get over initial troubles at Kurnool. As a concession to Andhra sentiment, we had agreed to retain on our side, all non-Andhra officers employed by the composite State, even though we knew that the decision would cause us some embarrassment. The logical course would have been to retrench the surplus personnel, but in view of the distress it would cause, the Government decided not to resort to that solution on a general scale. This may result in some immediate uneconomic outlay, but the Government are making suitable administrative changes to minimize the wastage and to make the best use of these trained personnel. One other consequence of the partition is on the Food-front. Under our existing zonal arrangement, the City of Madras draws its supply of rice from the Circars. The continuance of this arrangement will require the agreement of the Andhra Government. The hon. Members may be aware that certain other proposals have been made by the Government of India and they are under the consideration of the Government.

Seasonal conditions.

3. But, our anxieties on the Food-front have been reduced to an appreciable extent, by the timely rains we had throughout the State. Grain prices are falling and for the first time after the War, rice is available in the city market at prices even below the Fair Price rate. Seasonal conditions in Andhra and other neighbouring rice-producing States have also been good and, therefore, we may face our rice deficit with greater confidence than last year. These rains have enabled us to close down most of the famine relief works and the few that are still on in some of the dry taluks of Tirunelveli, Madurai and Coimbatore districts may also be closed, as the standing crops in those areas mature.

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4. In revising the budget for this half-year, we have taken due note of the present favourable turn in the season. The revenue for this half-year is now estimated at Rs 23,71 lakhs and expenditure at Rs 23,48 lakhs, leaving a small surplus of Rs 23 lakhs. Credit is being taken for the receipt of about Rs 281 lakhs under Taxes on Income and Rs 91 lakhs under Union Excise Duties from the Central divisible pool. The Estate Duty Bill has since been passed into law and we are entitled to a share from its proceeds. But it may take some time before the Act produces revenue and, therefore, no credit has been taken under this head in this budget. Land Revenue may be expected to bring in about Rs 375 lakhs in view of the improved seasonal conditions. Under 'Stamps', the original estimate of this year took credit for an additional revenue from a revision of the Court Fees Act. As the necessary legislation has not yet been introduced, this credit has been omitted in the present budget. The receipts from the General Sales Tax have now been estimated at Rs. 490 lakhs, on the basis of the actual collections in the first half of this year. The partition of the State and the operation of Article 286 of the Constitution have, at the moment, led to a measure of uncertainty in the yield from this tax. However, the present favourable season may result in some improvement in the purchasing power of the ryot and it is, therefore, hoped that there will be no further fall in this revenue. The receipts from the new State tax on tobacco which came into force from the beginning of this year have been rather slow in coming but as the departmental machinery is soon expected to get into full gear, a revenue of not less than Rs 25 lakhs may accrue in this half-year. Budget Estimate.

On the side of Expenditure, one special point to be noted is that the present budget provides for the disbursement of salaries to Government servants, only for five months. The salaries of all Government servants for September 1953 were paid to them in that month itself, so that the expenditure, which was legitimately a charge on the revenues of the composite State, might be met before the accounts of the composite State were closed. Our debt charges are fast growing and this will be an increasingly substantial

feature in our future budgets. No doubt, our borrowings have all been invested on useful irrigation and electricity works, but the benefits derived by agriculturists from these investments are not passed on to the Government in full measure. Better justice to the general tax-payer would be achieved by the levy of a reasonable betterment fee from the persons benefited, spread over, if necessary, in easy instalments. The question may soon come up for the consideration of the House. The total provision made in the budget for payment of interest and repayment of debt is Rs 180 lakhs, of which a sum of about Rs. 20 lakhs is expected to be recovered from the Andhra and Mysore States. This estimate is provisional, as the allocation of the debt of the composite State of Madras among the three States of Madras, Andhra and Mysore, is bound to take some time. Under new items of expenditure, the National Extension Service is just under way with a provision of Rs 18 lakhs under the head " General Administration ". There is another provision of Rs 29 lakhs under the same head for expenditure on local development works and of Rs 42 lakhs for community projects. A provision of Rs 21 lakhs has been made under ' Famine ', a good portion of which is to cover the expenditure already incurred. Let us hope that with the improvement of seasonal conditions, the total expenditure may prove to be much less than budgeted for. Full details of the estimates of Revenue and Expenditure will be found in Appendix VI[a] to the printed copy of this speech.

New Schemes.

5. Even though we did not think it would be possible to sanction new schemes during the year, we have actually sanctioned many new development schemes in pursuance of the Five-Year Plan. Particulars of these new schemes and the amount included in the budget for them will be found as an Appendix to the Detailed Budget Estimates. The new National Extension Service Scheme, spread over all the districts, several urban water-supply schemes a few irrigation and electricity extension schemes and grants to a few educational institutions are the more important items of new sanction.

Five-Year Plan.

6. The Five-Year Plan for the composite State of Madras is now being broken up as between the

[a] Printed as Appendix VI on pages 56–62 infra.

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Madras, Andhra and Mysore States. Of the total plan of Rs 140 crores for the composite State, the schemes benefiting the new Madras State, add up to about Rs 79 crores or 56 per cent of the total, which is short of the population ratio by 6 per cent. This was so because, in deference to the wishes of our Andhra friends, we had given greater emphasis to irrigation and electricity works in that area. We have drawn the attention of the Planning Commission and the Government of India to this matter and they have since agreed to include the Amaravathi and Vaigai irrigation projects immediately in the Plan. They have also promised to finance these schemes with earmarked Central loans, as also the balance of work on the Mettur canals scheme, on which we were hitherto going slow for lack of funds. The Amaravathi scheme has just been sanctioned and also inaugurated and the Vaigai scheme will be sanctioned presently, and execution of all these works will be expedited to the extent practicable. Our trained surplus personnel will not all be absorbed by these new sanctions. It is very desirable that we should take up a few more medium-sized irrigation schemes as also the Periyar and the Kundah Hydro-Electric schemes. Representations to this effect are being made and let us hope the Planning Commission will agree. In the meanwhile, we are re-casting our Plan in the light of our present needs and resources and a full picture will be placed before the House as soon as practicable.

7. The provision made for capital expenditure in the second half of this year is Rs 686 lakhs, which includes Rs 256 lakhs on Irrigation, Rs 355 lakhs on Electricity, Rs 52 lakhs on buildings, Rs 12 lakhs on industrial development and Rs 11 lakhs for the payment of compensation for the abolished Zamindari estates. The work on the Lower Bhavani project is almost completed and the expenditure estimated to be incurred in this half-year is only Rs 13 lakhs. Adequate provision has been made for the expenditure in the half-year on the Malampuzha project, Rs. 79 lakhs, Manimuttar project, Rs. 60 lakhs, and Mettur canals, Rs 33 lakhs. The provision for Tank Improvement schemes in the present budget is only Rs 25 lakhs, as with all the tanks full, the work has necessarily to be slowed down. Our Electricity

Capital expenditure.

schemes are also making satisfactory progress and the budget provision includes Rs 104 lakhs under Pykara, Rs 98 lakhs under Madras Thermal, Rs 82 lakhs under Mettur, and Rs 70 lakhs under Papanasam schemes. Appendix VII[a] to the printed copy of this speech gives full particulars of the provision made for each work in the capital account.

Ways and Means.

8. The total ways and means requirements for the second half of this year are now estimated at Rs 721 lakhs, made up of Rs 686 lakhs under capital expenditure (excluding State Trading schemes), and Rs 35 lakhs for net disbursements under Loans and Advances by this Government. Happily, we met with a considerable measure of success in our public loan for the year. A sum of Rs 617 lakhs was credited to this Government's account on the 1st October 1953, as our share of the proceeds of this open market loan and this has come in very useful towards meeting the capital expenditure in this half-year. The balance of our requirement of about Rs 1 crore is expected to be met from loans from the Government of India. In fact, the budget takes credit for a total loan of Rs 222 lakhs from the Government of India, comprising Rs 157 lakhs for specified irrigation projects, Rs 40 lakhs from the Handloom Cess Fund and Rs 25 lakhs for Housing schemes and the like. The transactions under State Trading schemes and deposit accounts are expected to result in a net withdrawal of about Rs 101 lakhs. Allowing for all these and taking into account the small revenue surplus of Rs 23 lakhs and the opening cash balance in treasuries of about Rs 5 lakhs, our closing balance for this year is estimated at Rs 45 lakhs.

Conclusion.

9. In presenting this budget, I have thought it best to give only a brief outline of the estimates, without digressing into programmes and policies. As I mentioned earlier, we are only just settling down to work after the upheaval caused by the partition. We shall have another opportunity to discuss policies almost immediately when the budget for the year 1954–55 comes up before the House towards the end

[a] Printed as Appendix VII on pages 63–65 infra.

of February. I hope the House will not take much time over the details of the present Budget, so that we may pass on quickly to other urgent items of work, standing over for consideration in the present session." Thank you."

MR. SPEAKER :—"The House will now adjourn till 11 a.m. to-morrow."

The House then adjourned.

VI.—PAPERS LAID ON THE TABLE OF THE HOUSE.

1. *Amendments to the Madras Motor Vehicles Taxation Act,* 1931 **[Laid on the table under section 11 (2) of the Madras Motor Vehicles Taxation Act, 1931].**

(a) *Notification No.* 689, *issued with G.O. No.* 2007, *Home, dated the* 23rd *June* 1953.

(b) *Notification No.* 717, *issued with G.O. Ms. No.* 2222, *Home, dated the* 9th *July* 1953.

(c) *Notification No.* 832, *issued with G.O. No.* 2636, *Home, dated the* 17th *August* 1953.

(d) *Notification No.* 858, *issued with G.O. Ms. No.* 2703, *Home, dated the* 25th *August* 1953.

(e) *Notification No.* 962, *issued with G.O. Ms. No.* 3073, *Home, dated the* 29th *September* 1953.

(f) *Notification No.* 1047, *issued with G.O. No.* 3233, *Home, dated the* 23rd *October* 1953.

(g) *Notification No.* 1061, *issued with G.O. No.* 3309, *Home, dated the* 30th *October* 1953.

2. *G.O. No.* 721, *Rural Welfare, dated the* 30th *May* 1953, *regarding the amendments to the Madras Cottage Industries Loans and Subsidy Rules,* 1948.

3. *G.O. No.* 912, *Rural Welfare, dated the* 20th *July* 1953, *regarding the amendments to the Madras Cottage Industries Loans and Subsidy Rules,* 1948.

4. *G.O. No.* 1889, *Public (Services), dated the* 18th *July* 1953, *regarding the exclusion of the post of Private Secretary to the Governor from the purview of the Madras Public Service Commission* **[Laid on the table under Article 320 (5) of the Constitution of India].**

5. *G.O. No.* 1570, *L.A., dated the* 18th *July* 1953, *regarding the inclusion of certain villages within the jurisdiction of the Bellary District Board.*

6. *The Requisitioning of Buildings (Andhra Area) Ordinance,* 1953 (*Madras Ordinance I of* 1953).